

Introduced by: Administration  
Date: June 28, 2023  
Action: Approved  
Vote: Y-8, N-0, Exc.-2, Abstain-1

**SOUTH PENINSULA HOSPITAL  
BOARD RESOLUTION 2023-19**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS  
APPROVING AN INCREASE TO THE LIMITATION  
ON THE TOTAL CUMULATIVE ANNUAL COST OF REAL PROPERTY LEASES  
IN WHICH SPH, INC. IS THE SOLE LESSEE**

**WHEREAS,** the Kenai Peninsula Borough ("Borough") owns and provides for the operation of South Peninsula Hospital ("Hospital") through the South Kenai Peninsula Hospital Service Area, ("Service Area"); and

**WHEREAS,** the Borough has entered into an operating agreement with South Peninsula Hospital, Inc. ("SPHI") for the lease and operation of the Hospital and other medical facilities, to operate these medical facilities on a nonprofit basis in order to ensure the continued availability of the medical services to the service area residents and visitors; and

**WHEREAS,** under the Operating Agreement, Section 14, Paragraph (b), the total cumulative annual cost of such leases shall not exceed \$550,000 without prior approval of by the Borough Assembly by resolution of any increases above that limitation; and

**WHEREAS,** the total cumulative annual costs for leases where SPHI is the sole lessee will be \$405,985 in FY24; and

**WHEREAS,** SPHI continues to grow and anticipates additional space needs in FY24, which will likely bring the total annual costs for leases near the maximum limitation under the operating agreement; and

**WHEREAS,** SPHI is requesting the annual lease maximum be increased to \$650,000; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL:**

1. That South Peninsula Hospital finds that it is the best interest of the Borough's Service Area and the residents that SPH serves to approve an increase in the total cumulative annual cost of real property leases in which South Peninsula Hospital, Inc. (SPHI) is the sole lessee under the Operating Agreement, Section 14, Paragraph (b).

2. That the South Peninsula Hospital Board of Directors approve an increase of the total cumulative annual cost to the revised limitation of \$650,000 for real property leases in which SPHI is the sole lessee under the Operating Agreement, Section 14, Paragraph (b).

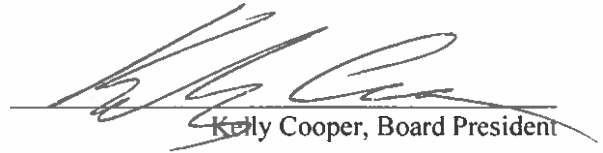
3. That the South Peninsula Hospital Board of Directors requests amendments to Section 10(d) and 14(b) of the Operating Agreement, to state that the annual reported Property Lease List will include a category of contract labor housing leases, but that those leases will not count toward the annual cap under 14(b).

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS 28th DAY of JUNE, 2023.**

ATTEST:



Julie Woodworth, Board Secretary



Kelly Cooper, Board President